

May 18, 1992

AE34-1 PDR
AC01-2 PDR

Mr. Tom Trevino
Corporate Vice President
For Administration
Engineering & Information
Technology Sector
Science Applications International Corporation
10260 Campus Point Drive
San Diego, CA 92121-1578

Dear Mr. Trevino:

I am responding to your April 14, 1992, letter in which you suggest several options for the Nuclear Regulatory Commission (NRC) policy on Organizational Conflicts of Interest (COI) pending publication of the NRC Acquisition Regulation.

As you know, the purpose of our March 26, 1992, public meeting was to allow NRC contractors to provide their views on the COI provisions of our proposed rule or to provide alternatives that would achieve an equivalent level of COI protection. We are currently assessing the views expressed during this meeting as well as all written comments received during the comment period which expired April 15, 1992. Our decision regarding possible changes in this policy will be based upon a careful review of the above information and experience on competitive procurements since implementation of the revised policy in August 1991.

Our pending competitive procurements were solicited and responded to by you and other offerors under the current Commission-approved COI policy. Were NRC to adopt any of the options recommended in your letter on an interim basis, we would have to cancel these procurements and re-solicit under the new terms to ensure that all potential offerors are competing on an equal footing. In addition, this would be required as a matter of fairness assuming the validity of your premise regarding the limiting effect of our COI provisions on competition. We do not consider this to be in our best interest and will, therefore, continue to apply the current policy until our assessment of comments received is completed.

Let me once again express our appreciation for your interest in our COI policy, and encourage your organization to continue to respond to NRC solicitations for technical services.

Original Signed By:

James M. Taylor
James M. Taylor
Executive Director
for Operations

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